

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

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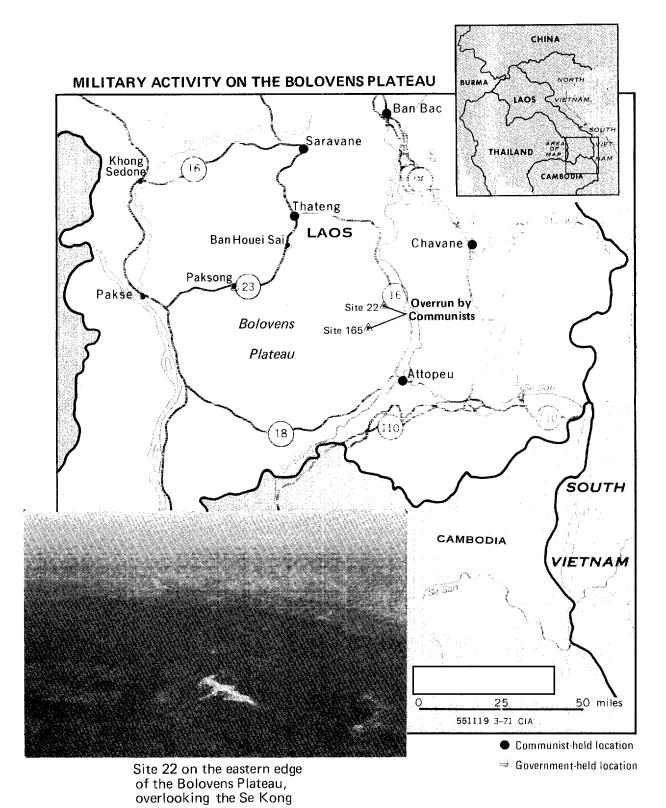
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## Approved For Release 2003/06/12 : CIA-RDP79T00975A018500020001-4 $\stackrel{\cdot}{\rm SECRET}$

LAOS: The last major government base on the eastern rim of the Bolovens Plateau fell yesterday to a determined Communist assault.

Site 22 was evacuated by its four battalions of irregular defenders after more than two days of almost continual shelling and ground attacks by a Communist force estimated at three battalions supported by a heavy weapons unit.

On 8 March two irregular battalions abandoned Site 165, some five miles southwest of Site 22. All six irregular battalions are withdrawing westward, and heavy government air strikes are being called in on the enemy forces. The orderly withdrawal from these positions evidently is in keeping with the government's recent decision to avoid, whenever possible, costly defenses of fixed positions on the plateau.

Fighting in the Bolovens region had been at a low ebb since early January, when government defenders repulsed a Communist assault on the northern side of the plateau. Communist forces have been regrouping for a new thrust at the irregulars, especially on the eastern rim where the government bases have constituted a serious irritant to Communist operations along the infiltration corridor into Cambodia.

The tenacity of the assault in the face of extremely heavy air strikes suggests that the Communists place considerable emphasis on clearing the heights overlooking Route 16 and the Se Kong River. These have not yet figured prominently in the Communists' logistic effort in the lower panhandle, but it is possible that the enemy would like to make greater use of the westerly river and road routes to Cambodia in the waning months of this year's dry season.

COMMUNIST CHINA - NORTH VIETNAM: Chou En-lai was accompanied on his visit to Hanoi by several high-ranking party and government officials, all of whom have Indochina as their area of special interest.

Heading the entourage was Yeh Chien-ying, a politburo member who has been reported to have wide responsibilities in organizing aid to North Vietnam. Another member of the delegation was Chiu Hui-tso, who is also on the politburo and is the director of the general logistics department of the Chinese Army. In addition, the officer in charge of the logistics department's armament section, Yuan Hua-ping, was there.

All three of these men have been previously involved in Chinese military aid to North Vietnam; Chiu and Yuan were on hand last month in Peking for the signing of a supplemental economic and military aid agreement with the North Vietnamese. Their presence as the highest ranking members on Chou's delegation strongly suggests that a further increase in the supply of military equipment was a main topic of discussion during the weekend visit.

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JAPAN: The Japanese may be reconsidering their interest in joint development of potential large oil deposits reported in the East China Sea.

Recently Peking strongly reaffirmed its claim to the offshore oil resources, an action that has led in part to a hardening of Taipei's position on the issue. According to press reports, Tokyo may be planning to reduce its participation in a semi-official tripartite committee--composed of Japan, South Korea, and Taiwan--which is to map out plans for joint development of these fields.

Tokyo must balance its desire to avoid exacerbating tensions with Peking with its need to reduce Japan's heavy dependence on the Middle East for crude oil. Tokyo will probably continue to pursue joint exploration of offshore resources with South Korea, if the two countries can work out a number of differences still outstanding between them. Japan, however, may choose to delay any further steps toward joint development with Taipei.

USSR - EAST GERMANY - SOMALIA: Despite Western expectations, Moscow and Pankow have provided little economic aid to Mogadiscio since the coup in 1969.

The terms of the recent Soviet assistance pact are consistent with the relatively low level of economic aid provided by the USSR to Somalia since the coup. According to a Somali announcement, Moscow canceled a small part of the debt owed under a credit extended in 1961, and agreed to a five-year postponement of the payment due this year. By the end of 1970 the Soviets had extended Somalia more than \$60 million in economic aid, most of which dates from 1961.

The announcement stated the USSR would provide a \$5.5-million grant and assistance for establishing oil depots as well as a donation of \$11 million to the UN development program for Somalia. The Soviets also will construct two broadcast transmitters and will provide equipment and assistance for mineral exploration and development.

Mogadiscio also announced the details of the agreement concluded with East Germany last month. Pankow will provide technical and agricultural equipment valued at \$50,000, will send agricultural advisers to train Somali personnel and will train Somali students and civil servants.

Both Moscow and Pankow have sent numerous delegations to Mogadiscio, but they appear loath to provide substantial economic assistance, probably a reflection of the generally unsatisfactory results from Somali-Soviet implementation of earlier aid. Nearly \$25 million in previous Soviet credits remains to be used, and until the recent agreement, East Germany had not provided economic aid to Somalia even though Mogadiscio recognized East Germany almost a year ago.

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TURKEY: Following the release of the four US airmen, security forces tightened their dragnet around Ankara in a determined effort to capture the four kidnapers.

The government still regards these men as a potential subversive threat. They are key members of a small group of leftist radicals calling itself the vanguard of a "Turkish People's Liberation Army."

With the kidnaping episode nearly closed and the important issue of the national budget settled, attention is again turning to the underlying instability of the government, which has now lost its parliamentary majority. Opposition elements reportedly are mounting a campaign to censure the Demirel regime for its handling of the recent episode.

The government, however, acted forcefully and with determination in controlling and disarming the leftist student radicals on the Middle East Technical University campus and in uprooting the incipient subversive threat. This may have eased the growing concern among the military and gained the government a respite from military pressure while it tries to put its house in order.

#### NOTES

PAKISTAN: President Yahya Khan was to fly to Dacca, possibly today, in an apparent effort to see whether a compromise can still be reached with East Pakistani leader Mujibur Rahman. In the meantime, East Pakistan remains calm. According to the general secretary of Mujib's Awami League (AL), the party is in de facto control of the province's civil administration and is giving guidance to both government agencies and industrial concerns. The party official, however, is apprehensive that the military will soon try to re-establish control, and possibly arrest or kill AL leaders.

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POLAND: Warsaw's disclosure yesterday that its intelligence apparatus had successfully penetrated Radio Free Europe (RFE) in Munich is likely to be the peg for a new round of sensational attacks on RFE. The announcement said a Polish intelligence officer had just returned home after many years on special assignment within RFE and promised a full expose of the radio's activities. A senior researcher in RFE's Polish section is indeed missing, but he did not have access to classified information. Nevertheless, wide coverage of his testimony can be expected as part of the general campaign in Eastern Europe against RFE.

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The possibility of im-CZECHOSLOVAKIA-VATICAN: proved relations has been raised by Vatican representative Giovanni Cheli's current visit to Czechoslovakia. The visit is a follow-up to talks held in Rome last October, when the Husak regime made its first formal contact with the Vatican. The current dialogue represents the fourth time in the past decade the sides have sought to iron out their many outstanding problems, which include the filling of vacant bishoprics, broader rights for religious orders, and the establishment of a Vatican representation in The talks have always broken down, essen-Praque. tially because of Czechoslovak sensitivities to the Church's administrative influence in the country. Although Prague may be willing to relax its tight grip on religious activity, it will continue to deny the Church any semblance of political activity.

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